

VILLAGE OF MIDWAY
COLUMBUS REGION, MADISON COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398
www.auditor.state.oh.us

Village of Midway
Madison County
P.O. Box 104
Sedalia, Ohio 43151-0104

We have reviewed the Independent Auditor's Report of the Village of Midway, Madison County, prepared by Holbrook & Manter, CPAs, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Midway is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

October 12, 2001

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INDEPENDENT AUDITORS' REPORT

Village of Midway
Madison County
P.O. Box 104
Sedalia, Ohio 43151-0104

We have audited the accompanying financial statements of the Village of Midway, Madison County, Ohio, (the Village), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of the State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Midway, Madison County, as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2001 on our consideration of the Village's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other these specified parties.


Certified Public Accountants

July 25, 2001
Marysville, Ohio

MIDWAY VILLAGE
MADISON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES-
FOR THE YEAR ENDED DECEMBER 31, 2000

	General	Special Revenue	(Memorandum Only) Total
Cash receipts:			
Local taxes	\$ 7,568	\$ 1,828	\$ 9,396
Intergovernmental	41,664	6,974	48,638
Charges for services	0	0	0
Interest	3,980	0	3,980
Miscellaneous	157	0	157
	53,369	8,802	62,171
Total cash receipts			
Cash disbursements:			
Current:			
Security of persons and property	3,334	0	3,334
Public health services	0	0	0
Leisure time activities	15,286	0	15,286
Basic utility services	3,116	0	3,116
Transportation	0	19,007	19,007
General government	25,052	0	25,052
	46,788	19,007	65,795
Total cash disbursements			
Total receipts over/(under) cash disbursements	6,581	(10,205)	(3,624)
Fund cash balances January 1, 2000	76,677	26,569	103,246
Fund cash balances, December 31, 2000	\$ 83,258	\$ 16,364	\$ 99,622

The notes to the financial statements are an integral part of this statement.

MIDWAY VILLAGE
MADISON COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES-
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
Cash receipts:			
Local taxes	\$ 5,575	1,976	\$ 7,551
Intergovernmental	42,268	7,561	49,829
Interest	3,844	0	3,844
Miscellaneous	254	0	254
Total cash receipts	<u>51,941</u>	<u>9,537</u>	<u>61,478</u>
Cash disbursements:			
Current:			
Basic utility services	1,937	0	1,937
Leisure time activities	12,587	0	12,587
Transportation	0	14,219	14,219
General government	19,652	0	19,652
Total cash disbursements	<u>34,176</u>	<u>14,219</u>	<u>48,395</u>
Total receipts over/(under) cash disbursements	<u>17,765</u>	<u>(4,682)</u>	<u>13,083</u>
Fund cash balances January 1, 1999	<u>58,912</u>	<u>31,251</u>	<u>90,163</u>
Fund cash balances, December 31, 1999	<u>\$ 76,677</u>	<u>\$ 26,569</u>	<u>\$ 103,246</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF MIDWAY
MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - The Village of Midway, Madison County, Ohio (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member council. The Village provides general governmental services, and park operations (leisure time activities).

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Basis of Accounting –These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

Cash and Investments - Certificates of deposit are valued at cost.

Fund Accounting - The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund- This fund receives gasoline tax and motor vehicle tax money for constructing maintaining and repairing Village streets.

State Highway Fund

This fund receives local taxes and intergovernmental revenues for constructing, maintaining and repairing Village streets.

Budgetary Process - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The Madison County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

VILLAGE OF MIDWAY
MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :- (CONTINUED)

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The Madison County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

Property, Plant and Equipment - Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements

NOTE 2 – EQUITY IN POOLED CASH AND INVESTMENTS:-

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>2000</u>
Demand Deposits	\$ 35,318	\$ 31,694
Certificate of Deposit	<u>67,928</u>	<u>67,928</u>
Total Deposits	\$ <u>103,246</u>	\$ <u>99,622</u>

Deposits - The Townships deposits are insured by the Federal Depository Insurance Corporation up to \$100,000. As of December 31, 2000 and 1999, deposits over \$100,000 were adequately collateralized by the financial institutions public entity deposit pool.

MIDWAY VILLAGE
MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 3 - BUDGETARY ACTIVITY:

Budgetary activity for the years ending December 31, 1999 and 2000 was as follows:

2000 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 40,000	\$ 53,369	\$ 13,369
Special Revenue	<u>9,400</u>	<u>8,802</u>	<u>(598)</u>
Total	<u>\$ 49,400</u>	<u>\$ 62,171</u>	<u>\$ 12,771</u>

2000 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 67,500	\$ 46,788	\$ 20,712
Special Revenue	<u>26,450</u>	<u>19,007</u>	<u>7,443</u>
Total	<u>\$ 93,950</u>	<u>\$ 65,795</u>	<u>\$ 28,155</u>

MIDWAY VILLAGE
MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 3 - BUDGETARY ACTIVITY: (CONTINUED)

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 39,000	\$ 51,941	\$ 12,941
Special Revenue	<u>9,200</u>	<u>9,537</u>	<u>337</u>
Total	<u>\$ 48,200</u>	<u>\$ 61,478</u>	<u>\$ 13,278</u>

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 52,050	\$ 34,176	\$ 17,874
Special Revenue	<u>28,450</u>	<u>14,219</u>	<u>14,231</u>
Total	<u>\$ 80,500</u>	<u>\$ 48,395</u>	<u>\$ 32,105</u>

VILLAGE OF MIDWAY
MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

NOTE 4 – PROPERTY TAX:-

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to Madison County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

NOTE 5 - RETIREMENT SYSTEMS:-

The Village's employees are required to belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost – sharing, multiple-employee plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% for their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for January 1999 through June 2000 and an amount equal to 8.13% of participants' gross salaries for July 2000 through December 2000. The Village has paid all contributions required through December 31, 2000.

NOTE 6 – RISK MANAGEMENT:-

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles



Report on Compliance and on Internal Control Required by *Government Auditing Standards*

Village of Midway
Madison County
P.O. Box 104
Sedalia, Ohio 43151-0104

We have audited the accompanying financial statements the Village of Midway, Madison County, Ohio (the Village) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated July 25, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matter in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We noted other matters involving compliance and internal control over financial reporting that we have reported to the Management of the Village in a separate letter dated July 25, 2001.

This report is intended for the information of the Village Council and the Clerk, and is not intended to be and should not be used by anyone other than these specified parties.

Holbrook & Manter

Certified Public Accountants

July 25, 2001
Marysville, Ohio



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF MIDWAY

MADISON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2001**